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COHEN AND THROS
ATTORNEYS AT LAW
GARY, INDIANA

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✓ Ruben Smith
2122 N. Cunningham
Bradley Ill
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REAL ESTATE LEASE

THIS AGREEMENT, made and entered into by and between COHEN AND THROS, PROFIT SHARING TRUST, COHEN AND THROS PENSION FUND TRUST and THEODORE M. SOPKOWSKI, Jr., hereinafter called "LESSORS", and BETTY J. SMITH, hereinafter called "LESSEE",

WITNESSETH:

LESSORS, in consideration of the rents and covenants herein contained, does hereby lease to LESSEE the following described real estate in the Town of Merrillville, County of Lake, State of Indiana, to-wit:

Lots 9 to 11, both inclusive, and the East 20 feet of Lot 12, Resubdivision of Huber Heights Addition to Gary, as shown in Plat Book 29, page 33, Lake County, Indiana.

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STATE OF INDIANA
LAKE COUNTY
FILED IN RECORD
WILLIAM GIELSKI JR
RECORDER

to have and to hold unto said LESSEE for a term of One (1) year, beginning on the 10th day of December, 1980 and ending on the 9th day of December, 1981; and in consideration therefore, LESSEE does agree to pay rental in the amount of Thirty-three Thousand Six Hundred (\$33,600.00) Dollars, payable in the following manner, to-wit:

1. The monthly rental for the months of December and January, of 1980 and 1981, respectively, shall be One Thousand Eight Hundred (\$1,800.00) Dollars;
2. Commencing February 10, 1981, and on the 10th day of each month for the remainder of the Lease Agreement, the monthly rental shall be Three Thousand (\$3,000.00) Dollars.

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That said sum shall bear interest at the rate of fifteen (15%) per cent per annum upon each installment after the same becomes due, and with attorney fees in the event of default. All sums due from LESSEE hereunder shall be payable without relief from valuation or appraisal laws 10 West 81st Avenue, Merrillville, Lake County, Indiana, or at such other place as LESSORS may designate in writing.

USE OF PREMISES

LESSEE does covenant and agree that said premises shall be used for the following purposes, and no others: Conduct and operation of a cafeteria and steak house restaurant business.

LESSEE ACCEPTS PREMISES:

LESSEE has examined said premises prior to and as a condition precedent to her acceptance and the execution hereof, and is satisfied with the physical condition thereof, and her taking possession thereof shall be conclusive evidence of her receipt thereof in good order and repair, except as otherwise specified hereon, and agrees and admits that no representation as to the condition or repair thereof has been made by LESSORS or their agent, which is not expressed or endorsed hereon; and LESSEE likewise agrees and admits that no agreement or promise to repair or improve said premises, either before or after the execution hereof, not contained herein, has been made by LESSORS or their agent. No holding over by LESSEE hereunder shall constitute a renewal or extension of the terms of this Lease except upon written consent of LESSORS.

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LESSEE TO MAINTAIN PREMISES

LESSEE shall keep the said premises in a clean, sightly and healthful condition, and in good repair, except as hereinafter provided under "Covenants of Lessor", all at her own expense, and shall yield the same back to LESSORS upon termination of the said Lease, whether such termination shall occur by expiration of the term hereof or in any other manner whatsoever, in the same condition of cleanliness, repair and sightliness as at the date of the execution hereof, loss by fire or by the elements, and reasonable wear and tear excepted. If, however, the said premises shall not thus be kept in good repair and in a clean, sightly and healthful condition by LESSEE, as aforesaid, LESSORS may enter the same, themselves or by their agents, servants or employees, without such entering causing or constituting the termination of this Lease or an interference with the possession of the premises by LESSEE and LESSORS may replace the same, in the same condition of repair, sightliness, healthfulness and cleanliness as existed at the date of execution hereof, and LESSEE agrees to pay LESSORS, in addition to the rent reserved, the expenses of LESSORS in thus repairing the premises and replacing the premises in that condition. LESSEE shall not permit any waste or misuse of the premises.

FURTHER COVENANTS OF LESSEE

LESSEE does further covenant and agree that she will pay all bills and charges for water, sewage, gas, electric, current and heating costs, which may be assessed or charged against the occupant of said premises during the term or any extension thereof; that she will not use or occupy

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said premises for any unlawful purpose; that she will not use or permit the leased premises to be used in violation of any law, order or regulation of any governmental authority relating to the use or occupancy of said premises; that if any use by LESSEE of the leased premises increases the insurance rates thereon, LESSEE will pay to LESSORS the amount of increases in premium caused by such increase in rates; that she will make no alterations or additions in or to said premises without the written consent of said LESSORS; that she will permit said LESSORS, or their agents, to enter upon said premises at all reasonable times, to examine the condition thereof; and that she will not assign this lease or underlet said premises, nor any part thereof, without the written consent of LESSORS.

COVENANTS OF LESSORS

LESSORS, for themselves, and for their heirs and assigns, hereby covenant and agree with LESSEE that said LESSEE, paying the rents, and keeping and performing the covenants of this lease on her part to be kept and performed, shall peaceably and quietly hold, occupy and enjoy said premises during said term, without any hinderance or molestation by LESSORS or any person or persons lawfully claiming under them and LESSORS shall pay all taxes and assessments levied against the lease premises; LESSORS further agree to keep all structural portions of the said premises including foundations, walls, floors, stairways, roof and exterior portions thereof, in good repair and order and LESSORS shall have access to said premises at any reasonable time to make said repairs; provided,

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however, that LESSORS shall not be liable to LESSEE for any damage or injury to LESSEE or to his property, or to third persons or to the property of third persons occasioned by the failure of LESSORS to keep said premises in repair, all claims for any such damages being hereby expressly waived by LESSEE; and provided further, that LESSORS covenant and warrant that the leased premises may lawfully be used by LESSEE for the purpose for which they are leased.

REMEDIES OF LESSORS

If said rent, or any part thereof, shall at any time be in arrears and unpaid, and without any demand being made therefor; or if said LESSEE, or her assigns, shall fail to keep and perform any of the covenants, agreements or conditions of this lease, on her part to be kept and performed, and such default is not cured within thirty (30) days after written notice from LESSORS setting forth the nature of such default; or if said LESSEE shall be adjudged a bankrupt, or shall make an assignment for the benefit of creditors, or if the interest of said LESSEE hereunder shall be sold under execution or other legal process, or if LESSEE shall file a voluntary petition for bankruptcy, or shall be placed in the hands of a receiver, it shall be lawful for LESSORS, their heirs or assigns, without notice or process of law, to enter into said premises, and again have, repossess and enjoy the same as if this Lease had not been made, and thereupon this lease and everything herein contained on the part of said LESSORS to be done and performed shall cease, terminate and be utterly void, all at the election of LESSORS; without prejudice, however, to the

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right of the LESSORS to recover from said LESSEE, or assigns, all rent due up to the time of such entry. In case of any such default and entry by LESSORS, LESSORS may relet said premises for the remainder of said term for the highest rent obtainable and may recover from LESSEE any deficiency between the amount so obtained, and the rent hereinabove reserved. Failure on the part of the LESSORS to avail themselves of any right or remedy hereunder shall not constitute a waiver thereof as to any future default or breach by LESSEE, her heirs or assigns.

RISK OF LOSS

In case any building on said premises, or any substantial part of said premises, without any fault or neglect of either party, shall be destroyed or so injured by the elements, or other cause, as to be unfit for occupancy, then this Lease may be cancelled or terminated by either party at their election.

LESSORS MAY MORTGAGE PREMISES

The LESSORS may at any time mortgage the demised premises, or any part thereof, and this Lease shall be subordinate to the lien of any such mortgage; and the LESSEE agrees to execute any documents which may be required by any lending institution for the purpose of such a subordination; provided, however, that any such mortgages shall be required to give notice of any default to LESSEE and LESSEE shall have the opportunity to correct any such default and to credit the same against all sums due and to become due under this Lease, and to recover from LESSORS the excess of such cost over said sums.

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NOTICES

Any notice to be given under this Lease shall be made in person or by certified mail to LESSORS at 8585 Broadway, Merrillville, Indiana, and to LESSEE at 10 West 81st Avenue, Merrillville, Indiana, or to such other address as may be given by either party in writing, in person or by certified mail. Notice, if made by certified mail, shall be deemed given on the date of postmark.

ADDITIONAL COVENANTS

1. It is further agreed that at the expiration of this Lease Agreement, and should the LESSEE not have elected to exercise the option to purchase set forth herein below, LESSEE shall have the right to renew this Lease Agreement for a term of Nine (9) years at a rental to be agreed upon between the parties, which option to renew shall be exercised by the LESSEE giving unto the LESSORS written notice of LESSEE's intention to renew this Lease Agreement on the terms and conditions herein set forth

2. During the term of this Lease Agreement or any extension thereof, it is agreed that the LESSEE shall have the exclusive option to purchase the real estate described herein for the sum of Five Hundred Thousand (\$500,000.00) Dollars. Said option to purchase is contingent upon the LESSORS' successful foreclosure of the Real Estate Contract previously entered into between the LESSOR, THEODORE J. SOPKOWSKI, Jr. as Seller, and DARRELL G. FERGUSON, LEANDER FERGUSON and PINAR J. JOHANSEN, as Buyers, which contract is currently in default and which is also currently the subject of foreclosure litigation. In that regard

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the LESSORS agree to diligently pursue their efforts to forfeit the said Contract as provided for in said Contract and under the laws of the State of Indiana. Upon the LESSEE exercising its option to purchase the said real estate, it is further agreed that there shall be paid to the Seller the sum of One Hundred Thousand (\$100,000.00) Dollars as a down payment toward the purchase price and the balance shall be paid in equal monthly installments over twelve (12) years, and shall bear interest at the rate of ten (10%) per cent per annum. It is further agreed that all rental payments to be paid by the LESSEE to the LESSORS hereunder shall be deducted from the balance due.

This Lease, and the covenants herein contained, shall extend to and be binding upon the heirs, executors and assigns of the parties to this Lease.

IN WITNESS WHEREOF, the said parties have hereunto set their hands and seals this 9th day of December, 1980.

LESSORS:

LESSEE:

COHEN AND THIROs PROFIT SHARING TRUST

Betty J. Smith
BETTY J. SMITH

BY: Max Cohen
MAX COHEN, Trustee

Nick J. Thiros
NICK J. THIROs, Trustee

COHEN AND THIROs PENSION FUND TRUST

BY: Max Cohen
MAX COHEN, Trustee

Nick J. Thiros
NICK J. THIROs, Trustee

Theodore M. Sopkowski, Jr.
THEODORE M. SOPKOWSKI, Jr.

THIS INSTRUMENT PREPARED BY: Nick J. Thiros, Attorney At Law
8585 Broadway, Merrillville, Indiana